
Ideational struggles in agricultural policy-making: The reform of the CAP for 2023-2027

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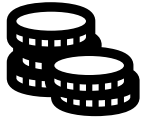
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Starting point: CAP policy design heavily contested



Common Agricultural Policy (CAP) 2023-27 allocates €336.4bn per year for agricultural support



CAP payments linked to requirements, e.g., climate environment, animal health and welfare

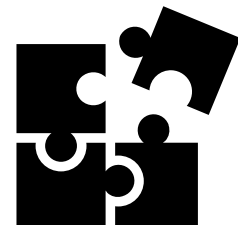


CAP's contribution to sustainable transformation questioned by various stakeholders

Research context:

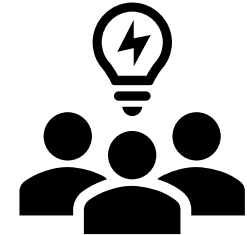
Assessments of the CAP policy mix

- Mostly critical assessments of the performance of the policy mix for the CAP 2013-2022 (Grohmann & Feindt, forthcoming)
 - Maintaining income support for agricultural producers in form of direct payments (WBAE 2018);
 - Existing agri-environmental instruments with deficits in their policy design (Pe'er et al. 2020).
 - Sound knowledge on the functioning and effects of the CAP policy instruments
- Continuation of existing policy instruments with only minor modifications in design and budget allocation in the CAP 2023-27



Ideational approach

- Policy-making as a political "struggle over ideas" (Stone 2002: 11)
- Emphasis on policy discourses (Schmidt 2018)
- Policy discourses:
 - Provide cognitive arguments for the relevance of EU spending on support for agricultural producers;
 - Provide normative arguments for the compliance with established norms;
 - Enable the communication among policy community.
- Three distinct ideas and discourses shaped and legitimized the CAP (Feindt 2018) – see next slides



Discourse 1: Agricultural productivism

- Agricultural producers with strategic importance
- Special treatment of the agricultural sector by policy-making (Grant 1995; Knudsen 2009)
- Regular price mechanism not sufficient to ensure food supply due to peculiarities of agricultural markets (Coleman 1998)
- Significant interventions in form of, e.g. extensive market interventions (guaranteed prices) or income transfers (Grant 1997)
- Productivist discourse legitimizes 'state-assisted agriculture' paradigm (Potter & Tilzey 2005)



Discourse 2:

Market liberalism

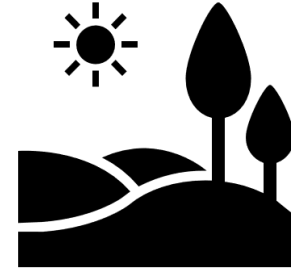
- Market liberal challenge to the CAP budget and the 'state assisted agriculture' paradigm
- Agricultural sector needs no special policy treatment (Coleman, 2004)
- Policy-making has the task to ensure the functioning of markets, e.g. by means of trade liberalization
- Integration of market-liberal elements from 1992 on – partial replacement of income support through market intervention with direct income transfers (Daugbjerg, 1999; 2003)



Discourse 3:

Multifunctionalism

- Agriculture produces not only marketable products, but also public goods (Erjavec & Erjavec 2009)
- Policy framework should enable and remunerate farmers for the provision of public goods
- Establishment of an ‘Integrated Rural Development Policy’ within the CAP (‘second pillar’) – with a distinct financial mechanism (EAFRD)
- Mechanisms to link agricultural support to certain requirements, e.g., cross-compliance and Greening






Political context for the CAP reform (2023-27)

- Simultaneity of EU budget and CAP reform process – first legislative proposals in May and June 2018
- More than 1.000 amendments – Parliament does not produce a plenary position before the EP elections
- EP elections in May 2019 – changing parliamentary landscape
- After a difficult formation – the new Commission's "Green Deal" as a new ideational framework
- The budgetary response to the Covid-19 shock - Multiannual Financial Framework (€1.074 bn) and NextGenerationEU (€750 bn)

Outcomes of the budget and CAP reform process

- The MFF set the CAP budget for 2021 at €336.4bn
 - €258.6bn were allocated to the EAGF
 - €77.8bn to the EAFRD
 - Continuous but moderate cuts in the CAP budget
- Three regulations provide the legislative framework:
 - Regulation (EU) 2021-2115,
 - Regulation (EU) 2021-2116,
 - Regulation (EU) 2021-2117.
- "New delivery model" (CAP Strategic Plans)
 - Increasing pressure to justify CAP spending

Policy objectives: Elements of the three CAP discourses

	Productivism 	Market liberalism 	Multifunctionalism 
Support viable farm income and resilience of the agricultural sector in order to enhance long-term food security	✓		
Enhance market orientation and increase farm competitiveness		✓	
Improve the farmers' position in the value chain	✓		
Contribute to climate change mitigation and adaptation			✓
Foster sustainable development and efficient management of natural resources			✓
Contribute to halting and reversing biodiversity loss			✓
Attract and sustain young farmers and new farmers	✓		
Promote employment, growth, gender equality	✓	✓	
Improve the response of Union agriculture to societal demands on food and health, high-quality food, reduce food waste, animal welfare, etc.			✓

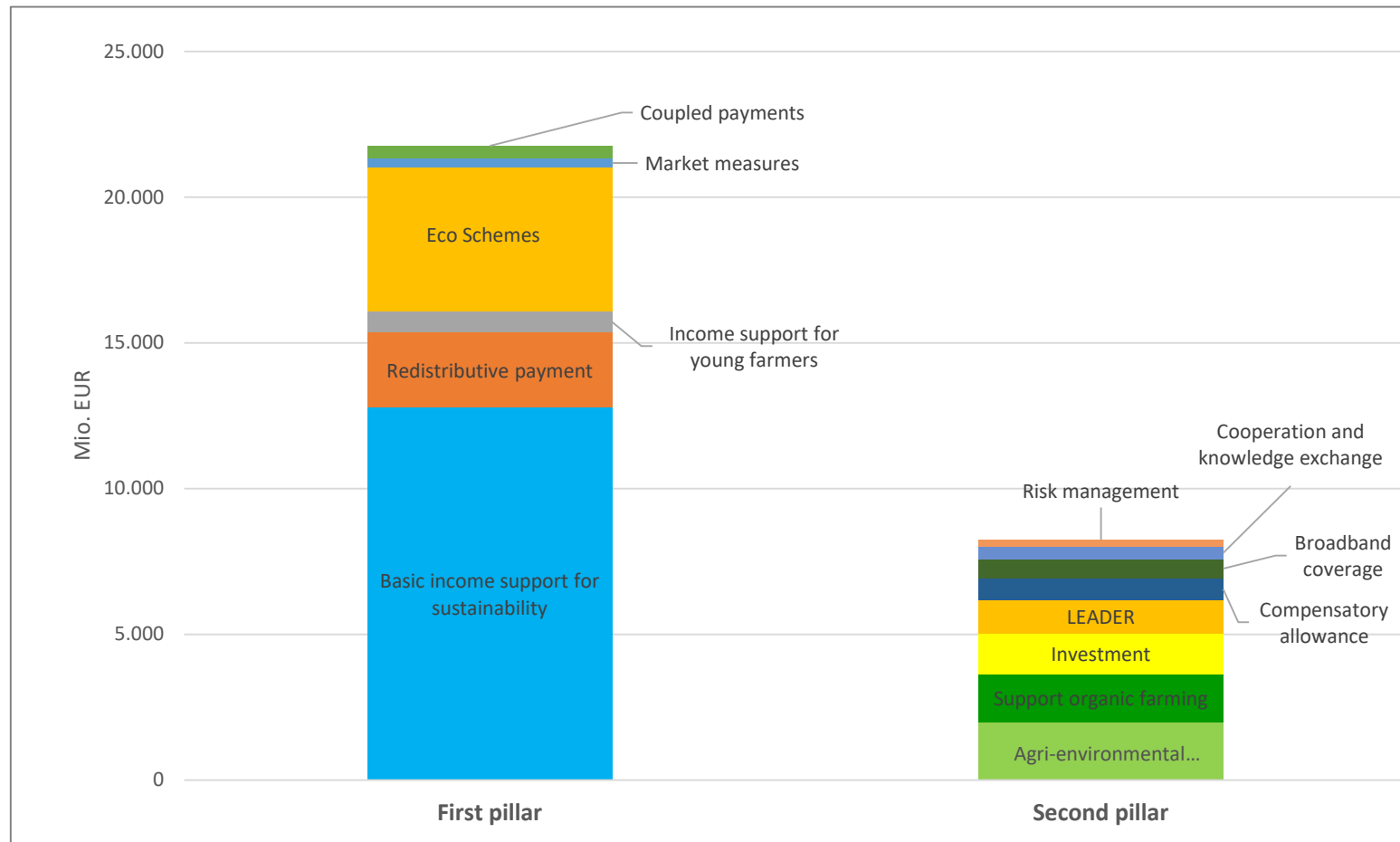
Source: own representation, based on Feindt et al. (2019).

Policy instruments: Gradual repurposing of agricultural support

- Continuation of the two-pillar structure in the CAP 2023-27
- Pillar 1:
 - Income support in form of direct payments
 - Measures to stabilize agricultural markets
- Pillar 2:
 - Agri-environmental and climate measures (AEEM)
 - Support for investments, innovations, advisory services and training, regional development
- All CAP payments linked to certain requirements

CAP implementation in Germany: Prioritization of income support

Table 1: Budget distribution of EU funds (2023-27) in the proposed CAP Strategic Plan for Germany



Source: Own representation, based on the proposed CAP Strategic Plan for Germany

Conclusion or: why it is so difficult to repurpose CAP payments



CAP 2023-27 as a "struggle over ideas" (Stone 2002)



Prevalence of elements of the various CAP discourses – generating a "hybrid discourse" (Erjavec & Erjavec 2015)



Continuing dominance of long-established, producers-centred discourse



Limited effectiveness due to incoherence in policy design

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